## **Sales Tax - Retailers Use Tax (Collection of Tax)**

Does an out-of-state vendor have to collect and remit Colorado Sales Tax?

If a retailer whose business is located in another state directly or indirectly, or by subsidiary maintains in Colorado an office, distribution house, salesroom, warehouse, etc., or if the business leases tangible personal property to be used in Colorado, then a Colorado state sales tax license must be obtained and state sales and applicable local and special district sales tax must be collected.

Out-of-state retailers not required to obtain a state sales tax license but who also sell, lease or deliver tangible personal property in Colorado should collect Colorado's 2.9 percent Use Tax since there would be no obligation to collect state sales tax. The use tax owed would also include any applicable special district use taxes collected by the state. Local use tax would be paid directly to the taxing authority to which it is owed.